

# H I G H L I G H T \$

2003 Volume 16, No. 1



## Meet the Commissioner

On April 9, 2003, Governor Jennifer M. Granholm announced the appointment of former State Senator Gary C. Peters as State Lottery Commissioner.

"Gary is a results-oriented professional who left behind the private sector to work for the people," Granholm said. "I know he will work tirelessly to continue his tremendous loyalty and dedication to serving the people of Michigan."

Peters, age 44 of Bloomfield Township, served as a State Senator from 1995 to 2002. He was chair of the Senate Democratic Caucus and vice chair of the Finance, Education, and the Natural Resources and Environmental Affairs Committees.

Peters served as a councilman for the City of Rochester Hills from 1992 to 1994. While in this position, he served as vice chair of the Budget and Finance Committee, as well as the chair of the Solid Waste Management Committee.

He was previously Vice President of Investments at UBS PaineWebber, Inc. in Rochester Hills. He was also an assistant vice president at Merrill Lynch of Rochester Hills from 1980 to 1989; he was one of the youngest Resident Managers ever appointed by the company when he was named in 1984.

Peters received his law degree from Wayne State University Law School and holds a master's degree in business administration from the University of Detroit and a bachelor's of arts degree from Alma College.



**Gary C. Peters, Michigan Lottery Commissioner**

# Big Things Come in Small Packages

With only 408 tickets in the box, Black Velvet 7 may be the smallest charity game on the block but this \$2 ticket packs a top prize of \$300. Like Emerald Club, this seal card game contains 20 random tickets with sign up numbers. Players retain any tickets with a sign up number until all the tickets in the box have been sold. At that time an announcement is made and the window on the seal card is opened to reveal the winning sign up number. The player with the corresponding ticket wins the top prize of \$300.



## Sister Act

Nearly 100 nuns from all over the world took part in the Annual Sisters Appreciation Night put on by the Holy Cross Knights of Columbus in Detroit along with the help of the Squires and Knights Daughters. This event has been ongoing for over 35 years. The evening events included a free game of bingo.

## Check the Box



In the lower right corner of each Charitable Gaming form is a Completion Box. Whenever you are uncertain if a form is required or not, check the box. Completion will indicate either "Required" or "Voluntary". When a form is required, the penalty for not completing the form is indicated. NOTE: In some cases, the Lottery will direct an organization to use a voluntary form in order to assist in their accountability.

CHARITABLE GAMING HIGHLIGHTS	
2003 Volume 16, No. 1	
	Gary Petersen.....Commissioner Michael G. Petersen.....Deputy Commissioner Charitable Gaming Editor.....Lorrie Dundon Contributing Writers.....Mark Bentley, Bob Blessing, Lorrie Dundon, Todd Gardner, Abby Harvey, Alicia Nordmann, Dave Owen, Tom Reich, and Ann White
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# Electronic Bingo in Michigan

Much has happened regarding electronic bingo since our last HIGHLIGHT\$ update. The electronic bingo test in Lansing concluded December 31, 2002, with very encouraging results.

- Electronic bingo devices were purchased by 35% of players at each bingo occasion.
- Average player spending on bingo increased 16% (approximately \$4.70).
- Electronic bingo players spent an average of \$15 more on bingo than paper-only players.
- Average profit per bingo occasion increased an estimated 17% (approximately \$236).
- There was no measurable adverse impact to surrounding bingo games not offering electronic bingo.

## SURVEY RESULTS

Chairpersons of participating bingos in the test were surveyed and responded with positive feedback regarding electronic bingo. Every respondent indicated they would continue to offer electronic bingo due to player demand and the positive financial results achieved.

The majority of survey respondents indicated that the introduction of electronic bingo was not problem free, but these problems were outweighed by the positives. Respondents also indicated that many problems can be reduced by ensuring workers, particularly callers, receive adequate training prior to the introduction of electronic bingo.

## GOING STATEWIDE

Based on the positive results and feedback,

the Charitable Gaming Division made the decision to approve electronic bingo for play in the state of Michigan effective June 1, 2003. Experience gained from the test aided in the development of the directives that regulate the use of electronic bingo equipment. Visit our website at [www.michigan.gov/cg](http://www.michigan.gov/cg) for copies of all four electronic bingo directives.

## TRAINING MEETINGS

The Charitable Gaming Division has conducted town hall meetings throughout the state to discuss the impact of electronic bingo and explain the electronic bingo directives. We will be conducting follow-up area training meetings across the state for the remainder of the year to address specific questions you may have after introducing electronic bingo at your games.



Electronic bingo manufacturers and suppliers gear up for statewide electronic bingo.



# Frequently Asked Questions

## CHARITY GAME TICKETS

1. **Can the person who is employed to maintain the grounds of the clubhouse purchase charity game tickets?**

A: No, a person who is employed by the organization shall not purchase charity game tickets. An employee is a person who is receiving pay and withholding taxes are taken out of their pay or they receive an IRS form 1099.

Rule 612(4) "A person shall not purchase or play charity game tickets at the location they own, manage, or in which they are employed or working as such."

2. **Can a kitchen worker of a commercial bingo hall buy charity game tickets? (Commercial bingo halls do not include those owned by nonprofit organizations like the Eagles, VFW, etc.)**

A: No, employees at a commercial bingo hall can not play bingo or purchase charity game tickets at the commercial bingo hall at which they work.

Rule 612 (4), "A person shall not purchase or play charity game tickets at the location they own, manage, or in which they are employed or working as such."

Rule 1008 (1)(b), "Any owner, shareholder of the privately held corporation, partner, officer, agent, or employee of a for-profit licensed hall shall not: (b) Purchase or play charity game tickets at the licensed hall that they own, manage, or in which they are employed or work."

## BINGO

3. **What do we do with old disposable bingo cards no longer used by our organization?**

A: If the disposable bingo cards are still wrapped (unopened), contact your supplier; they may be willing to buy them back. If the supplier does not want your remaining inventory or it is opened,

you may donate it to a senior citizen group. If you donate it to a senior citizen group you must fill out the Transfer of Bingo Equipment form BSL-CG-1657 and mail or fax it to Lansing. If you want to destroy your unwanted disposable bingo paper contact your local inspector.

## MILLIONAIRE PARTY

4. **Can we use the old cash redemption plan at our millionaire party and copy the information onto the new forms?**

A: No, use the current forms. The most current forms are included in your license packet or are available on our website at [www.michigan.gov/cg](http://www.michigan.gov/cg) or can be obtained by calling our forms request line at (517) 241-7889.

Rule 414(1) states: "Game records pertaining to the licensed gaming event shall be completed and maintained in a current and accurate manner in accordance with the act, these rules, terms of probation, and directives of the bureau."

## RECORDKEEPING

5. **When reporting expenses on our financial report, should the items be reported when we receive them or when we pay for them?**

A: Normally, all expenses should be reported during the period the item or service was received, not when the bill was paid.

6. **Our organization bought a new computer. Can we use it to complete our bingo records?**

A: Yes, but you must obtain prior written approval by the bureau.

Rule 328(8) states: "Game records may be maintained with the use of a computer provided they are maintained in accordance with directives of the bureau."

# Raffle Tips

To ensure your organization complies with the rules and makes the most of the event, the chairperson of the raffle should read through the Raffle Rules and the Raffle Guide. Here are some additional hints that may ensure greater success to your raffle.



- ◆ Apply for your license up to 18 months prior to the event.
- ◆ All tickets must be accounted for using the Raffle Ticket Accountability form.
- ◆ All proceeds from the raffle must be accounted for by the organization. Keep raffle deposits separate from other revenue generated by the event. Ensure that all deposits are made into the organization's accounts.
- ◆ All ticket stubs must be retained until all prizes are claimed.
- ◆ All organization records should be retained by the organization, not an individual. Keep all event records at the same location.
- ◆ Have the raffle drawing in conjunction with another event to encourage attendance.
- ◆ Have the event at the same time each year.

The Raffle Rules and Raffle Guide can be found on our website at [www.michigan.gov/cg](http://www.michigan.gov/cg). They may also be requested by calling our forms request line at (517) 241-7889.

## Prefilled Forms are Barcode Driven

### Bingo and Annual Charity Game Licenses

You may have noticed that with each bingo and annual charity game license issued, the Bureau is now including financial statements that are partially pre-filled. Each financial statement includes the organization's name, ID number, and license number and is printed for a specific reporting period. These statements must *only* be used by the organization whose name, ID number, and license number appear on the statement and for the reporting period listed. Please, do not use these for any other organization or purpose. Each statement contains a unique barcode that assigns it to a specific electronic file in Charitable Gaming. Allowing another organization to use your forms could cause them to be misdirected, delayed in processing, or lost forever.

### One Time Event Licenses

Whenever you are granted a raffle, millionaire party, special bingo, or special charity game license, included in your license packet will be a partially pre-filled financial statement and an application for future events. These financial statements and applications contain unique barcodes and must *only* be used by the organization whose name, ID number, and license number appear on them. Allowing another organization to use your forms could cause them to be misdirected, delayed in processing, or lost forever.

# Administrative Action

## SUSPENDED LICENSES

Organization	Violations	Length	Date	License
VFW 4499, Manistee	MLCC violation for illegal pull-tab tickets.	6 months	7/1/02	All
VFW 3130, Warren	Failure to maintain accurate and timely records; failure of the chairperson to be responsible for the gaming event; failure of the principal officer to provide proper oversight.	20 weeks	8/14/02	Annual CGT
VFW 3243, Fenton	Failure to account for all funds.	2 weeks	10/27/02	Annual CGT
Eagles 2588, East Tawas	Failure to account for all funds; failure to maintain accurate and current records.	1 week	11/10/02	Annual CGT
Ancient Order of Hibernians State Board, Warren	Failure to account for all bingo cards; failure to maintain accurate and current records; failure to follow bureau directives for voiding verification slips.	4 weeks	11/10/02	All
Elks 505, Alpena	Failure to account for all funds; failure to maintain accurate and current records; lack of accountability.	1 week	11/17/02	Annual CGT
VFW 2144, Holland	Failure to account for all funds; failure to keep game records; failure to maintain accurate and current records.	6 weeks	12/1/02	Annual CGT
Eagles 2371, Adrian	Failure to account for all funds; failure to maintain accurate and current records.	16 weeks	12/1/02	Annual CGT
Food Bank of Eastern Michigan, Flint	Failure to account for all funds; failure to maintain accurate and current records.	2 weeks	12/1/02	Bingo
Elks 2292, Warren	Failure to account for all funds; failure to maintain accurate and current records.	6 weeks	12/5/02	Annual CGT
Moose 751 Women, Coldwater	Illegal and/or unlicensed gambling; failure of the chairperson to be responsible for the gaming event; failure of the principal officer to provide proper oversight.	2 weeks	12/22/02	Bingo
Hesperia Area Chamber of Commerce, Hesperia	Failure to follow game program; failure to follow bureau directives for voiding of verification slips; failure to maintain accurate and current records; proceeds not deposited in a timely manner.	3 weeks	12/22/02	Bingo
Holy Ascension Church Serbian Sisters, Ecorse	Failure to maintain accurate and current records; worker pay exceeds legal limits.	4 weeks	12/22/02	Bingo
American Legion 90, Lake Linden	Failure to account for all funds; failure to maintain accurate and current records.	6 weeks	12/22/02	Annual CGT
Holy Ascension Assn., Ecorse	Failure to maintain accurate and current records; worker pay exceeds legal limits.	4 weeks	1/19/03	Bingo
American Legion 8, Port Huron	Failure to account for all funds; failure to maintain accurate and current records.	4 weeks	1/19/03	Annual CGT
Eagles 2106, Muskegon Heights	Failure to maintain accurate and current records; proceeds not deposited timely.	4 weeks	1/19/03	Annual CGT
Muskegon Sports Council, North Muskegon	Failure to maintain game records; worker pay records incomplete or pay exceeds legal limits; failure to maintain accurate and current records; failure to maintain inventory of disposable bingo cards.	6 weeks	1/26/03	All
American Legion 351, Utica	Failure to account for all funds; failure to maintain accurate and current records.	2 weeks	1/26/03	Bingo
Holy Ascension Church, Warren	Failure to maintain accurate and current records; worker pay exceeds legal limits; failure of the principal officer to provide proper oversight.	4 weeks	2/16/03	Bingo

# Administrative Action continued

## SUSPENDED LICENSES

Organization	Violations	Length	Date	License
American Legion 73, Sturgis	MLCC violation for illegal raffles.	1 week	2/23/03	All
American Legion 351, Utica	Failure to account for all funds; failure to maintain accurate and current records.	1 week	3/2/03	Bingo
Holy Redeemer School Burton	Failure to account for all funds; failure to pay rent in accordance with lease agreement; failure to account for all verification slips.	4 weeks	3/9/03	Bingo
Eagles 4310 Auxiliary, Lawton	Game program incomplete; worker pay exceeds legal limits or worker records incomplete; failure to maintain accurate and current records.	2 weeks	3/16/03	All
Eagles 2092, Royal Oak	Failure to account for all funds; failure to maintain accurate and current records.	4 weeks	4/13/03	Annual CGT
Nat'l Assn. of Physically Handicapped, Sanford	Failure to account for all funds; failure to maintain accurate and current records.	3 weeks	4/20/03	Bingo
Greater Detroit Outreach Center, Detroit	Failure to account for all funds; failure to maintain accurate and current records.	2 weeks	4/27/03	Bingo
Eagles 3732, Flat Rock	Failure to maintain game records; failure to account for all verification slips; worker pay records incomplete or pay exceeds legal limits; failure to maintain accurate and current records; failure to account for all bingo cards.	8 weeks	4/27/03	Bingo

## SURRENDERED LICENSES

Federated Polish Home	Lansing	(Bingo)
American Legion 351 Color Guard	Utica	(Bingo)
Genesee Council of the Blind	Flint	(Bingo)

## Legal Action



### American Legion Post 381, Newaygo

Patricia Lynn Lambright, recordkeeper and bar manager, was found guilty of Embezzlement Over \$20,000. The 27th Circuit Court in Newaygo County sentenced her to 9 months in jail to be held in abeyance, \$36,113 in restitution, \$120 in additional fees, and 24 months probation.

### American Lung Association of Michigan, SW Region

Terry Mae McNally, bingo chairperson, plead guilty to Embezzlement Over \$1,000. The 9th Judicial Circuit Court in Kalamazoo sentenced her to 14-60 months in prison, \$4,014.08 in restitution, and \$60 to the victim's fund.

### Eagles 3214, Whitehall

Charles Mauke, trustee and recordkeeper, plead guilty to Embezzlement Over \$200. The Muskegon County District Court sentenced him to 80 hours of community service and restitution of \$3,500.

### Pigeon Conservation Club

Barbara Louise Trost, wife of former chairperson, was found guilty of Embezzlement Over \$1,000. The 52nd Judicial Circuit Court in Huron County sentenced her to 90 days in jail, \$23,199.25 in restitution, \$1,190 in additional charges, and 24 months probation.

### VFW 6015 Auxiliary, Marion

Dixie Lee Bessette, bingo chairperson, was found guilty of Embezzlement Over \$1,000. The 77th District Court in Osceola County sentenced her to 30 days in jail, \$5,057 in restitution, \$777 in additional fees, and 12 months probation.



## A Reminder to Principal Officers

If your organization receives a violation from your inspector, you will be mailed a violation response form. The Inspection Unit will frequently receive a response form completed correctly, but the principal officer forgot to sign their name or someone other than the principal officer signs. Either way, the response form is mailed to you a second time for your response.

The response form states, "The response must include *why* the violation occurred and *what action* will be taken to prevent future incidents of this nature." To prevent the delay in the issuance of future licenses or further administrative action, the principal officer must comply with what is requested on the response form.

